

**JIUXING TANZANIA MINING COMPANY LIMITED**

**BUSINESS PLAN FOR  
GOLD PROCESSING PROJECT  
2023 – 2028**

**Contact Information:**

LIU ZHONGHUA  
JIUXING TANZANIA MINING COMPANY LIMITED  
P.O. BOX 999  
DAR ES SALAAM

Email:  
Phone:

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## CORPORATE INFORMATION

**Registration Number** : 157-816-284  
**Business Activity** : Gold Ore Processing.

### Shareholders:

NAME	ADDRESS	SHARES
LIU ZHONGHUA	P.O. BOX 999 DAR ES SALAAM	75
LI SHENGZHI	P.O. BOX 999 DAR ES SALAAM	25

### Registered Office & Address:

Plot 2470/5, Block number D,  
Upanga Street, Upanga ward,  
Ilala CBD, Dar es Salaam

### Factory Location:

Mpanda District, Katavi region

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## **1.0 EXECUTIVE SUMMARY**

**Jiuxing Tanzania Mining Company Limited** is private company limited by shares registered in Tanzania with the main purpose to engage in Gold processing business, among others. Currently, the company has embarked on establishing a project aimed at providing. The Headquarter shall be located in Dar es Salaam whereas the factory is going to be established in Mpanda District, Katavi region. This business plan has been prepared to establish the viability of the targeted services and guide the procurement, operational and marketing activities of the project. The plan establishes a strategic framework that provides a focus, direction and most importantly a common language that acts as a guide for all service delivery, marketing/brand activities creating cohesive strategic alignment between the company mission, vision and goals.

The company requires a total of **USD 4,993,250** that will be used office premise rent, factory structural construction, purchase of machinery and business equipment and raw materials required for the project start up. The financing of the project is expected to be 60% equity financing and 40% loan. The project expects to employ at least 58 persons, majority being Tanzanians who shall be directly employed by the project. It is expected that at least 100 indirect jobs will be created through sales and commissioning agreements with local suppliers.

## **1.1 Vision, Mission and Core Values**

### **Vision**

To be among leading processors and suppliers of gold ingot from East Africa region

### **Mission**

To establish a standard gold processing company that in our own capacity will favorably compete with leaders in the industry at the global stage. We want to build a gold processing company that will be listed amongst the top 5 gold brands in the region.

### **Core Values**

**Customer driven** – Our products are always tailored to meet the needs and preferences of our customers

**Quality** – We strive to perform at an excellent level in everything we do. We are reliable. We are committed to consistently producing our products at highest standard.

**Teamwork** - We work together collectively to achieve our common vision and mission

**Honesty & Integrity** - We are truthful and our actions are consistent with our words. We are honest and direct in all of our communications.

**Respect & Dignity** - We demonstrate respect for and appropriate loyalty towards our customers, colleagues and suppliers.

**Innovation & technology** -We drive change and challenge the status quo in both technical know-how and technology spectra. We invest environment friendly technology.

**Safety** – We are committed to the safety, wellbeing and security of our customers, staff and facilities.

## 1.2 Project Location

The project is going to be located in Mpanda District in Katavi region with Head Offices in Dar es Salaam. The factory is expected to be constructed on part of 0.6 square kilometre land bought by the company in Mpanda. The area is accessible by road and has direct access to electricity. This location is strategically chosen due to proximity to raw materials and good transport network with market destination.

## 1.3 Implementation Period

The project is expected to start on 15<sup>th</sup> December, 2022. Initial project activities shall include preliminary tasks including securing land, already started, layout design, construction and plant installation will follow. It will also encompass procurement of basic equipment, furniture and respective fitting.

**Table 1: Implementation Schedule**

DESCRIPTION		PHASE ONE Dec 2022 – March 2023				PHASE TWO April 2023 & Beyond
No.	Activities	Dec	Jan	Feb	March	April
1	Securing office space					
2	Layout design, Landscaping, construction					
	Plant installation.					
3	Procurement of office equipment and fittings					
5	Recruitment					
6	Official launching of the business					

## 1.4 Project Objectives

The business is mainly meant to process and supply gold ingot. Our products are generally meant for export markets. We shall produce to cater for the increasing demand of gold triggered by the rising global need for specialty and electronic products as well as changing life style of global population. Besides, we would like to engage in business aiming at operating sustainably by giving our customers value for money and

making profits. We are dedicated to making our esteemed customers part of our success by producing high quality products. Notably the business will focus on the following specific objectives;

- To ensure availability and reliability of high-quality gold products;
- To employ at least 100 people and contribute to the improvement of livelihood of the community,
- To generate sufficient income through sales to meet the needs of the shareholders and contribute to government revenues,
- To expand our production volume in Tanzania.

### 1.5. PROJECT COMPONENTS AND COSTS

The project is still at the initial stages; require some investments in terms of fixed assets, labour and materials. The business has already secured an office space located at Plot 2470/5, Block number D, Upanga Street, Upanga ward, Ilala CBD, Dar es Salaam. Besides, we are at final stage of securing land where the factory shall be built in Mpanda District, Rukwa region. Basic legal documents to allow business start-up are ready in place. The details of initial investment requirements are outlined in Table 2 below.

**Table 2: Project Requirements (US\$)**

Type of Investment	Qty	Cost/unit (\$)	Total Value (\$)
Land	1	25,000	25,000
Machinery	1	1,200,000	1,200,000
Layout design and construction	1	95,000	95,000
Office furniture and fixture	1	14,000	14,000
Motor vehicles (trucks)	3	50,000	150,000
<b>Subtotal</b>			<b>1,484,000</b>
Office rent	12	650	<b>7,800</b>
Raw Materials	1	3,360,000	<b>3,360,000</b>
Labour for 3 Months	3	47,150.00	<b>141,450</b>
<b>Total Cost</b>			<b>4,993,250</b>

## **2.0 BUSINESS DESCRIPTION**

The company has already rented office space located at Plot 2470/5, Block number D, Upanga Street, Upanga ward, Ilala CBD, Dar es Salaam where the business will operate from. The processing facility shall be built in Mpanda District, Rukwa region. The project shall make special layout and construction suitable for processing of gold ore. Modern facilities shall be installed and equipment availed for high quality output.

The project expects to produce an average of 75 kg of ingot per month through a world class production facility. The company is expecting to expand production and establish new distribution outlets over time as new opportunities emerge and be identified.

## **3.0 BUSINESS ENVIRONMENT**

The business may be affected by factors beyond owner's control, and these need to be taken into account before making any investment decision. The company has considered many opportunities and challenges that may arise out of the expected changes. Thus analysis of business environment key factors is paramount to this plan in order to determine external factors and how they are likely to affect the project.

*Economically;* Tanzania is now experiencing economic growth whereby the purchasing power of people is increasing and people's interactions is increasing as trade grows in the East Africa and SADC regions. The country is highly improving business environment to encourage investors in various sectors where mining is one among top government investment priorities. The burning issue currently is the rate of inflation and fall in domestic currency this would lead to increased cost of production as the price of fuels are rising. Issues like Common Market for the East Community are opening up business performance and new investment opportunities.

*Politically;* the political environment is conducive for the business operations. The current government regime is in support of investments. There have been adequate policies to support hospitality and tourism sectors. The Tanzanian Government is engaged in developing and promoting sustainable growth in the mining sector in Tanzania by creating conducive investment environment as one of economic growth catalyst.

*Social-Cultural:* The social aspect focuses on the forces within the society. Family, friends, colleagues, neighbours and the media are social factors. These factors can affect our attitudes, opinions and interests. So, it can impact sales of products and revenues earned. There is no doubt that the society is continually changing. The tastes and preferences are a great example of this change for the Tanzanian culture. Most of Tanzanians currently are willing to pay a premium price for a product that satisfies their expectations. Demographically, the country is increasing in population where currently the country is estimated to have over 60 million people. The increase in population necessitates increase in products and services.

*Technological factors:* Technological factors are variables that are being used for evaluating available alternatives with respect to technological capabilities. Our company consider it as an important tool for improving production, operations and functions to achieve efficiency. Technological factors are one of various external environment factors that affect businesses greatly and are also an integral component of the **PESTLE analysis**. In the present scenario, utmost dependence on equipment, technological factors can have more effect on business operation and success globally than ever before. Furthermore, development of technology has also introduced digital marketing strategies through which companies are able to sell their products and services. Even the research and development R&D divisions in companies have changed its way of functioning and more advanced techniques in the development of products and services have been introduced only through technological advancements. *We are* constantly looking for development and updates within the technological environment. In this way, we do not only improve our operations but, we will also be well aware of business transformational phase. We will derive ground-breaking strategies to grow exponentially.

#### **4.0 INDUSTRY AND MARKET ANALYSIS**

Mining is one of the leading sectors in Tanzania with the value of mineral exports constantly increasing for the past several years. The sector is comprised of both small- and large-scale operations. Mining in Tanzania includes metals (gold, iron ore, nickel, copper, cobalt, silver), industrial minerals (diamonds, tanzanite, ruby, garnet, limestone, soda ash, gypsum, salt, phosphate, gravel, sand, dimension stones and graphite), and fuel minerals (coal, uranium). Tanzania is also home to many rare earth and critical minerals that are currently in the exploration stage.

Tanzania earned around 2.3 billion U.S. dollars with minerals exports in 2019, a significant increase over 2018 level of 1.6 billion U.S. dollars. Gold had the highest contribution to the value of mineral exports. Tanzania is the 4th largest gold producer in Africa after South Africa, Ghana and Mali and is the world's sole producer of the precious stone Tanzanite. Gold production currently stands at roughly 50 tonnes a year, copper at 2980 tonnes, silver at 10 tonnes and diamond at 112,670 carats.

Mining and quarrying activities had a very large contribution to Tanzania's Gross Domestic Product (GDP) growth in the first quarter of 2021. The sector recorded 10.2 percent of the GDP equivalent to 1,473,804 million TZS.

The Tanzania mining industry remains attractive to investors, given the next few years of significant diversification to the mining of nickel, uranium and coal. There is also availability of investment incentives and supply chain opportunities in the mining sector.

There have been a number of changes in the Mining industry in the country. According to Petroleum Act 2015 and the Mining Act 2010, license holders and contractors in the extractive sector are liable to pay taxes including corporate tax (30%), capital gain tax (30%), withholding tax (10%) and other taxes. Profits resulting from transfer or disposal of rights are also subject to taxes, which are collected by the Tanzania Revenue Authority.

The Tanzania Extractive Industries Transparency and Accountability Act 2015 has provisions for all new concessions, contracts and licenses to be made available to the public (<https://eiti.org/news/tanzania-enacts-eiti-legislation>).

The Government of Tanzania would like to see more value-added activities in the country to include smelting and processing of minerals. As of 2020 two model gold smelters were built in Lwamgasa and Katente, a one stop mineral processing and export center, strengthening of mineral control and reduction of smuggling due to construction of a 24.5km wall around the Mirerani tanzanite mine. Also, 28 markets and 25 mineral centres have been established.

The company recognizes the market forces that are surrounding the mining industry and gold processing and supply business in particular. We will utilise all reasonable means to ensure that our products meet the required standards and be able to sustain the business environment.

#### **4.1 TARGET MARKETS AND THEIR CHARACTERISTICS**

The resolution to invest in gold processing business resulted from a well thought market study that informed different strategies and actions. In view of that, following cultural values, lifestyle, needs and preferences our products are mainly meant for middle class and high-income earners. These are specifically private companies in both domestic (10%) and foreign (90%) markets. These will include:

- Jewelry production companies,
- Electronic components manufacturing companies,
- Art and culture companies and
- Gold merchants.

#### **4.2 MARKET SIZE**

Our feasibility field survey indicates that; the market is poised to keep on growing as global population growth increases. Highest demand comes from foreign customers Tanzania. We expect to produce and supply gold ingot throughout the year. The business is designed to produce ingots weighing 900 kg during the first year of operation with an estimated revenue of USD 50,400,000. It is projected that 90% and 10% of sales shall be generated from export and local markets respectively. Table 4.1 below summarises the expected demand for the business during the first year of the project.

**Table 4.1: Expected Demand (US\$)**

Descriptions	Units	Qty/month	Price per unit (Average)	Sales per year
Export market (90%)	Kg	810	56,000	45,360,000
Local market (10%)	Kg	90	56,000	5,040,000
<b>Total</b>	Kg	<b>900</b>		<b>50,400,000</b>

### **4.3 SWOT ANALYSIS**

**Theo Limited** has conducted a thorough SWOT analysis that will help us achieve our project goals and objectives. This is the summary of the SWOT analysis that was conducted. The analysis is carried out to assess the strength that the business can leverage on, and then assess its weaknesses that need to be improved. In this part also potential opportunities are identified and how the business can utilize these opportunities. Lastly, the business has identified potential threats and challenges that are likely to face the business and respective mitigation strategies.

**Strengths:** Part of what is going to count as positives *the company* has good technical know-how, investment in modern equipment and strong management team. The company is planning to hire people who are highly experienced with good understanding of the mining industry capable of taking the business from the scratch to profitability. Jiuxing Tanzania Mining Company Limited has financial muscles to cover 60 per cent of the required initial invest costs and 40 percent loan. This also reflects good owners' will to take risk.

**Weakness:** A major weakness that may count against us is the fact that we are still at infancy stage with the project in Tanzania. However, our team has experience in the sector that we are confident to take the business to sustainability.

**Opportunities:** Rising demand for sophisticated technology and lucrative products made of gold both in Tanzania and globally. In addition to that, the fact that mining sector is among key government's strategic focus for economic development is very promising to the business growth and sustainability. We only need to position our business to take advantage of these existing and emerging opportunities.

**Challenges/Threats:** We are quite aware that just like any other business, one of the major threats that we may face is likelihood of other companies to establish similar businesses where we are. However, we understand on how to position ourselves in the market, at the same time making sure that our products meet the demand requirements.

#### **4.4 MARKETING, DISTRIBUTION AND COMMUNICATION STRATEGY**

Various methods of marketing mix will be used to curb the existing and potential weaknesses and challenges/threats while utilizing the arising opportunities and leveraging on the key strengths of the company.

**Pricing:** The objectives of price strategy depend on a number of factors such as business economic and marketing objectives. Price setting can be based on cost or market based. With demand and competition orientation concepts. The pricing shall take into consideration both market price and operational costs with some profit margin. Our products will be competitively priced in relation to the dictates of the market. Features of penetration strategy may be considered to attract more customers where applicable.

**Distribution:** We have arranged to start operations by looking at the most convenient market segment. The main targeted market consists of export markets consisting of gold traders, gold products and electronics manufacturers. Our products shall be directly accessed from our business premises for domestic customers whereas direct delivery shall be made to foreign market destinations.

**Promotion:** A word of mouth has been the major promotion strategy for the business. This strategy is cheap and the product can effectively describe itself as it is clean and self-sufficient. The company will also be printing t-shirts and fliers as a communication strategy and promotional tools. In addition to ensuring we are active on social media (twitter and linkedin), a highly interactive website will also be availed.

## 5.0 OPERATIONAL PLAN

### 5.1 LONG TERM OPERATION PLAN

The project is expected to be operated through four departments: the finance, production, human resources and marketing. The Finance department is responsible for all financing and procurement activities. Production department entail the core business and is will be dealing with all processing, quality control and R&D activities. Human resources will be dedicated to dealing with all personnel related tasks including hiring, management and safety among others. Marketing will focus on ensuring right products are produced for the right market, promotion, sales and distribution activities. The Production Manager is a skilled salaried employee who work day to day to achieve company's production targets. On the other hand, the Finance Manager will lead the strategic action plans and make sure they correspond to available operational environment. The core of the marketing manager will be to ensure that customer expectations are met and revenue targets from sales are achieved. The HR manager will ensure that tasks are clearly defined, right staffing is made, and working environment is conducive for all staff and employees motivated to work.

### 5.3 LABOUR REQUIREMENTS

Labour is one of the most important inputs in any industrial enterprise. The proposed centre will require both skilled and unskilled labour most of whom will be Tanzanians making a total of 58 employees. Table 5.1 indicates labour required amounts to US\$ 47,150 per month that is US\$ 565,800 per annum.

**Table 5.1: Labour Requirement (US\$)**

Description	Qty	Unit price \$	Monthly Salary	Annual Salary
			\$	\$
Managing Director	1	3,500	3,500	42,000
<b>Personal</b> assistant	1	1,500	1,500	18,000
Production			0	
Production manager	1	2,000	2,000	24,000
Section Supervisors	4	1400	5,600	67,200
<b>Section assistants</b>	12	1000	12,000	144,000
Human resources			0	-
Human resources manager	1	2000	2,000	24,000

Occupational and Safety officer	1	1400	1,400	16,800
Drivers & Machine Operators	10	350	3,500	42,000
Security Officers	4	250	1,000	12,000
<b>Casual</b> workers	15	150	2,250	27,000
Marketing			0	-
Marketing manager	1	2000	2,000	24,000
Sales officers	2	1400	2,800	33,600
<b>Distribution officers</b>	2	1400	2,800	33,600
Finance department			0	
Finance manager	1	2,000	2,000	24,000
Accountant	1	1400	1,400	16,800
Procurement officer	1	1400	1,400	16,800
				-
<b>Total</b>	<b>58</b>		<b>47,150.00</b>	<b>565,800</b>

#### 5.4 RAW MATERIALS REQUIREMENTS

The project is typically a processing business with a single finished product: gold ingot. The project intends to procure raw materials on monthly basis from small scale miners and other neighbouring mining companies. Generally, the annual material requirements amounts during the first year of operation is estimated to USD 40,320,000 that is USD 3,360,000 per month on average.

**Table 5.2: Materials Requirements per Month (US\$)**

Type of raw materials	Purchase per month	Amount per year
Raw gold ore	3,360,000	40,320,000
<b>Total Purchases</b>	<b>3,360,000</b>	<b>40,320,000</b>

#### 5.5 PRODUCTION OVERHEADS

Production overheads covers costs such as utilities for water and electricity, postage and telephone, maintenance and other costs directly associated with business operation. Table 5.3 shows operation overheads amounting to US\$ 8,883 per month that is US\$ 106,600 per year.

**Table 5.3: Production Overheads (US\$)**

<b>Item</b>	<b>Monthly Expenses</b>	<b>Estimated Annual Costs</b>
Electricity	1500	18,000
Water bills	200	2,400
Maintenance Costs 5%	6,183	74,200
Others	1000	12,000
<b>Total Costs</b>	<b>8,883</b>	<b>106,600</b>

**5.6 TOTAL PRODUCTION COST**

The estimated total production cost is US\$ 40,688,800 per annum as shown in Table 5.4 below. The raw materials are generally procured on monthly basis. Given the nature of the company's project, the production costs include raw materials, direct labor and production overheads.

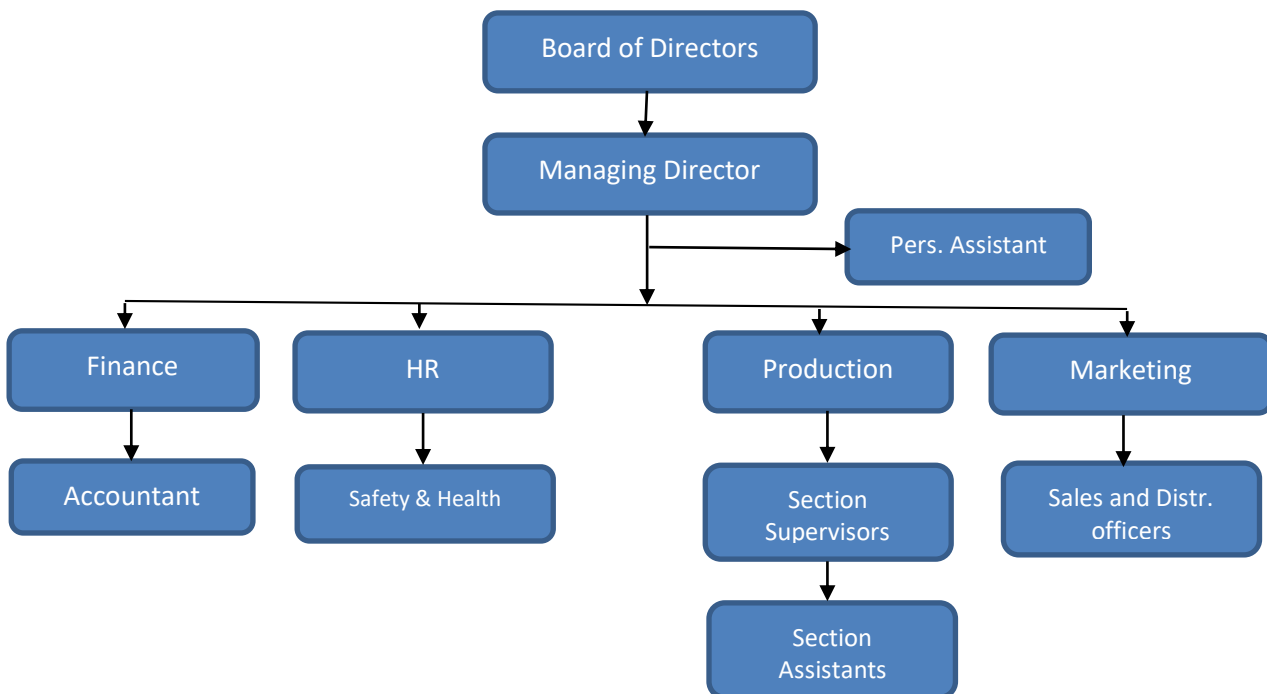
**Table 5.4: Total Production Cost (US\$)**

<b>Item</b>	<b>Expenses/Month</b>	<b>Est. Annual Cost</b>
Raw materials	3,360,000	40,320,000
Direct labour	21,850	262,200
Production Overheads	8,883	106,600
<b>Total Costs</b>	<b>3,390,733</b>	<b>40,688,800</b>

## 6.0 MANAGEMENT PLAN

The management structure of **Jiuxing** will be headed by the Managing Director who shall be overseeing all company's operations on daily basis and who is in turn accountable to the board of directors. The production manager shall be responsible for day-to-day operations and manage all staff under his/her line. The Finance Manager shall be responsible for all administrative duties and finances and supervises all personnel under his/her line. The section supervisors shall be responsible for daily operations and engaging casual workers at different levels when needed. The marketing and the HR managers will deal with sales & distribution and personnel management respectively. The following figure illustrates the organisation structure of the company.

**Figure 6.1: Organization Chart**



## **7.0 FINANCIAL PLAN**

### **7.1 FINANCIAL ASSUMPTION**

Several assumptions were made and considered in the preparation of this financial plan and projection. The assumptions are based on professional judgment, economic trends and current financial market environment. These are as noted below;

- (i) The target market shall involve both domestic (10%) and exports (90%);
- (ii) All sales will take place throughout the month and billing will generally be done sales closing basis;
- (iii) The annual sales is projected to grow by 5% per annum;
- (iv) Depreciation will be charged on straight line method to allocate the cost of each value over its estimated useful life. The rates to be used are as follows;
  - (a) Buildings 5%
  - (b) Furniture & Fittings 12.5%
  - (c) Equipment/machinery 9%
  - (d) Motor vehicles 15%

The financial assumptions will also include payments of interest rates, taxes and other levies. Interest rates, tax rates, and personnel burden are based on conservative assumptions. Some of the more important underlying assumptions are:

- We assume a strong economy, without major recession.
- We assume, of course, that there are no unforeseen changes in economic policy to make our service immediately obsolete or unwanted.
- We assume an inflation rate of 5% yearly.
- Maintenance costs 5% of Property Plant and Equipment
- Corporate tax is 30% of Net Income

### **7.2 SOURCES OF FUNDS**

The project financing shall come from owners' equity (60%) and loan (40%) from a identified competitive financier. Negotiations are in progress. The owners have already committed some funds into the project for office rent and preliminary costs of the project.

### 7.3 PROFITABILITY ANALYSIS

The project profitability analysis indicates that the project will be able to generate substantial amounts of profits throughout the project, table 7.1 summarizes the profit analysis for 5 years.

**Table 7.1: Profit Projections (US\$)**

Year	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEARS 5
Sales	50,400,000	52,920,000	55,566,000	58,344,300	61,261,515
Total production cost	40,688,800	42,723,240	44,859,402	47,102,372	49,457,491
Profit Margin (Loss)	9,711,200	10,196,760	10,706,598	11,241,928	11,804,024

### 7.3 OPERATING EXPENSES

The following table shows the projected operating costs for five years. All expenses reflect an annual inflation rate of 5% annually.

**Table 7.2 Operating Expenses**

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5
Salary and Wages	303,600	312,708	322,089	331,752	341,704
Marketing expenses	2,400	2,472	2,546	2,623	2,701
Insurance	8,060	8,302	8,551	8,807	9,072
Office rent	7,800	8,034	8,275	8,523	8,779
Permits and Licenses	500	515	530	546	563
Vehicle expenses	13,200	13,596	14,004	14,424	14,857
Professional fees	4,608	4,746	4,889	5,035	5,186
Depreciations	138,250	262,886	375,332	476,852	568,571
Miscellaneous expenses	2,800	2,884	2,971	3,060	3,151
Postage & Telephone	1,200	1,236	1,273	1,311	1,351
Bank Charges	2,220	2,287	2,355	2,426	2,499
<b>Total</b>	<b>484,638</b>	<b>619,666</b>	<b>742,815</b>	<b>855,360</b>	<b>958,434</b>

### 7.4 The Projected Income Statements

The Projected income statements for five years indicate that the project shall be able to generate substantial amounts of profits as detailed below.

**Table 7.3 Projected Income Statements for five years**

Description	Year 1	Year 2	Year 3	Year 4	Year 5
	US\$	US\$	US\$	US\$	US\$
Total sales	50,400,000	52,920,000	55,566,000	58,344,300	61,261,515
Less Cost of sales:	40,688,800	42,723,240	44,859,402	47,102,372	49,457,491
Gross Profit	9,711,200	10,196,760	10,706,598	11,241,928	11,804,024
Less Operating Expenses	484,638	619,666	742,815	855,360	958,434
<i>Earnings before Int.&amp;tax</i>	<i>9,226,562</i>	<i>9,577,094</i>	<i>9,963,783</i>	<i>10,386,568</i>	<i>10,845,590</i>
Less Loan interest	108,853	84,885	60,918	36,950	12,982
<i>Earnings Before Tax</i>	<i>9,117,709</i>	<i>9,492,209</i>	<i>9,902,865</i>	<i>10,349,618</i>	<i>10,832,608</i>
Less TAX 30%	2,735,313	2,847,663	2,970,859	3,104,885	3,249,782
NET PROFIT/ (Loss)	6,382,396	6,644,546	6,932,005	7,244,732	7,582,825
Dividend 10%	638,240	664,455	693,201	724,473	758,283
<b>Retained Earnings</b>	<b>5,744,157</b>	<b>5,980,091</b>	<b>6,238,805</b>	<b>6,520,259</b>	<b>6,824,543</b>

## 7.5 Projected Balance Sheet

The Projected balance sheet for five years indicates the capacity of the project to finance its operations throughout the projected period as shown in Table 7.4.

**Table 7.4 Projected Balance Sheet for Five Years**

DESCRIPTIONS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	US\$	US\$	US\$	US\$	US\$
<b>NON-CURRENT ASSETS</b>					
Land & Buildings	114,000	108,300	102,885	97,741	92,854
Machinery & Equipment	1,092,000	993,720	904,285	822,900	748,839
Motor vehicles	127,500	108,375	92,119	78,301	66,556
Furniture & Fixtures	12,250	10,719	9,379	8,207	7,181
<b>Total Non-Current Assets</b>	<b>1,345,750</b>	<b>1,221,114</b>	<b>1,108,668</b>	<b>1,007,148</b>	<b>915,429</b>
Stocks	0	0	0	0	0
Debtors & Prepayments	2,597,063	3,792,276	4,761,255	5,527,096	6,110,570
Cash and Bank balance	9,130,447	13,752,851	18,858,860	24,449,363	30,527,589
Total Current Assets	11,727,510	17,545,127	23,620,115	29,976,459	36,638,159
<b>TOTAL ASSETS</b>	<b>13,073,260</b>	<b>18,766,240</b>	<b>24,728,783</b>	<b>30,983,607</b>	<b>37,553,587</b>
Share Capital	2,995,950	8,740,107	14,720,198	20,959,003	27,479,262
Additions	0	0		0	0
Retained Earnings	5,744,157	5,980,091	6,238,805	6,520,259	6,824,543
<b>Total Equity</b>	<b>8,740,107</b>	<b>14,720,198</b>	<b>20,959,003</b>	<b>27,479,262</b>	<b>34,303,805</b>
Bank loan	1,597,840	1,198,380	798,920	399,460	-
Trade Creditors and Accruals	-	-	-	-	-
Taxation	2,735,313	2,847,663	2,970,859	3,104,885	3,249,782
<b>Total Current Liabilities</b>	<b>4,333,153</b>	<b>4,046,043</b>	<b>3,769,779</b>	<b>3,504,345</b>	<b>3,249,782</b>
<b>Total Equity &amp; Liability</b>	<b>13,073,259</b>	<b>18,766,241</b>	<b>24,728,782</b>	<b>30,983,608</b>	<b>37,553,587</b>

## 7.6 Projected Cash Flows

The projected cash flows for five years indicates that the project shall be able to maintain sufficient cash required to meet all operational needs as shown in Table 7.5.

**Table 7.5 Cash Flow Projections for Five Years**

DESCRIPTIONS	Year 1	Year 2	Year 3	Year 4	Year 5
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Cash from operations:					
Profits before tax	9,117,709	9,492,209	9,902,865	10,349,618	10,832,608
Adjustments for non-cash items:					
Depreciations	138,250	262,886	375,332	476,852	568,571
Change in Working Capital:					
Receivables	0	0	0	0	0
Trade payables & Accruals	-	-	-	-	-
	399,460	399,460	399,460	399,460	399,460
Capital Additions	0	0	0	0	0
<b>Total</b>	<b>8,856,499</b>	<b>9,355,635</b>	<b>9,878,737</b>	<b>10,427,010</b>	<b>11,001,719</b>
Tax payments	-2,735,313	-2,847,663	-2,970,859	-3,104,885	-3,249,782
<b>Total Cash Inflow from Operating Activities</b>	<b>6,121,186</b>	<b>6,507,972</b>	<b>6,907,878</b>	<b>7,322,125</b>	<b>7,751,937</b>
Cash from investing activities:					
Purchase of property, plant & equipment	-1,345,750	-1,221,114	-1,108,668	-1,007,148	-915,429
<b>Net Cash Outflow From Investing Activities</b>	<b>4,775,436</b>	<b>5,286,859</b>	<b>5,799,210</b>	<b>6,314,977</b>	<b>6,836,508</b>
Cash from financing activities:					
Dividends	-638,240	-664,455	-693,201	-724,473	-758,283
Change in Cash & Cash equivalent	4,137,197	4,622,404	5,106,009	5,590,504	6,078,225
<b>Beginning Cash Balance</b>	<b>4,993,250</b>	<b>9,130,447</b>	<b>13,752,851</b>	<b>18,858,860</b>	<b>24,449,363</b>
<b>Ending Cash Balance</b>	<b>9,130,447</b>	<b>13,752,851</b>	<b>18,858,860</b>	<b>24,449,363</b>	<b>30,527,589</b>

## 7.7 Loan Repayment Plan

YEAR	31/12/2023	31/12/2024	31/12/2025	31/12/2026	31/12/2027	31/12/2028	31/12/2029	31/12/2030	31/12/2031	31/12/2032	31/12/2033	BALANCE TOTAL
Opening Balance (TZS)	\$1,997,300	\$1,597,840	\$1,198,380	\$798,920	\$399,460	\$0	\$0	\$0	\$0	\$0	\$0	\$1,997,300
Interest rate (6%)	\$108,853	\$84,885	\$60,918	\$36,950	\$12,982	\$0	\$0	\$0	\$0	\$0	\$0	\$304,588
Subtotal	\$2,106,153	\$1,682,725	\$1,259,298	\$835,870	\$412,442	\$0	\$0	\$0	\$0	\$0	\$0	\$2,301,888
<b>Repayment</b>												
Principal	\$399,460	\$399,460	\$399,460	\$399,460	\$399,460	\$0	\$0	\$0	\$0	\$0	\$0	\$1,997,300
Interest	\$108,853	\$84,885	\$60,918	\$36,950	\$12,982	\$0	\$0	\$0	\$0	\$0	\$0	\$304,588
Subtotal	\$508,313	\$484,345	\$460,378	\$436,410	\$412,442	\$0	\$0	\$0	\$0	\$0	\$0	\$2,301,888
Closing Balance	\$1,597,840	\$1,198,380	\$798,920	\$399,460	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

## **8.0 ECONOMIC ASPECTS**

### **8.1 National economic and social Benefits**

The economic and social impact of establishing the proposed project to Tanzania is expected to be positive. This positive impact is expected to be direct and indirect as explained below:

#### **(i) Direct economic impact**

Direct positive economic impact is expected to come from three factors, namely,

- (a) Tax payments to the government
- (b) Foreign currency savings,
- (c) Employment opportunities generation; 58 direct jobs expected to be created.
- (d) Transfer of technical know how

#### **(ii) Indirect economic (job creation)**

In addition to the direct employment opportunities that the proposed project is expected to generate, its operations are expected to boost operations of their suppliers of goods/services that the project will need to sustain its operations. With the increase in the activities of these suppliers, there is great likelihood that the increase will create additional employment opportunities in their businesses.

#### **(iii) Corporate Social Responsibility**

The project is also expected to operate as a responsible corporate citizen by fulfilling some of its corporate responsibilities such as assisting some of the disadvantage communities by way of donations, starting from the communities living near the project.

## **9.0 CONCLUSION**

The financial analysis in this plan indicates a positive growth and ability of the project to recover initial investments and make substantial profits in the successive years. The objectives indicated in this plan are likely to be met; hence it is feasible undertaking this project. In addition, the community where the project will operate is likely to benefit from employment created through provision of locally made edible oils at a reasonable price and thus create more indirect jobs to all stakeholders engaged in the purchase and sell of company's services. The project is also expected to benefit the society

through social corporate responsibility activities of the company; and most importantly; the government will get taxes from the project and help to contribute to countries economic growth strategies.

### **9.1 Recommendation**

We are highly encouraged to undertake this project, due to the fact that it has proven to have great potentials of meeting market demand. The financial analysis also shows a significant contribution of the to the country's economic activities through employment creation and raising tax revenues to the government. Various stakeholders both from the public and private sector are highly requested to support this project at whatever capacity that may make this project a success.